

APPENDIX C: ESTIMATING UNMET HUMAN SERVICES NEED: METHODOLOGY FOR COST ESTIMATES

Estimating Unmet Human Services Need: Methodology for Cost Estimates

King County Office of Management and Budget

Raw Data Reliability

Under ideal circumstances, the demand for health and human service programs would be static. All needy families would seek out support services and detailed waiting lists would be maintained to accurately document any unmet service need.

The delivery of human services in King County has never resembled the ideal; a largely uncoordinated patchwork of federal, state, county, city, and private programs have most recently seen a decade of budget cuts from top to bottom. Disheartened by intermittent availability, shifting eligibility, and outright rejection, many needy families have stopped seeking some services altogether; the result here is that waiting lists under-represent actual need. An additional problem from the county's perspective lies in the form of service delivery. Since county programs are delivered under contract by a number of different vendors, data sophistication varies and little to no standardized collection of service delivery data occurs. This limited data availability makes otherwise simple cost projections more difficult.

Existing Estimates

Fortunately, the recently concluded work of the Task Force on Regional Human Services included specific gap assessments for most identified programs. Four of five major human service goal areas have credible overall need data with supporting benchmarks. For example, the "One Night Count" survey provides a credible point estimate of the number of homeless persons in the county; this, in conjunction with known housing costs, helps to build a picture of the service need in addressing goal number one (*food to eat and roof overhead*).

In these four human service goal areas, important work remains to translate these figures into budgetary cost estimates. First, a series of different datasets have been employed, reflecting a variety of diverse survey, program census, and modeling efforts from between 1998 and 2003. Since this data is based on such a wide array of sources and over a long period of time, work must be done to bring these numbers into the present and make them comparable to each other. After we have the datasets in a common timeframe (likely 2003), then we can proceed to make projections for 2007 and beyond based on that reference point.

Human service goal number three (*safe haven from all forms of violence and abuse*) is the one area where comprehensive data is extremely difficult to collect. This is due to a wide array of victim responses to abuse. The per capita rate of reported domestic violence crimes doubled between 1997 and 2002 in Bellevue. This indicates either a surge in domestic violence incidents, or more likely, that reporting rates are often low and cannot be translated into actual incidents of abuse. Additionally, as mentioned in the Task Force report, victims are often served in locations other than in their own communities; this is a result of safety concerns and service availability.

Other victims may attempt to obtain service at many locations. Tallies on waitlists and counts of victims turned away may not completely capture the whole population need for service. In order to arrive at a population need estimate, available data must be adjusted with econometric methods.

Once population need estimates are ready, additional work is needed to prepare budget estimates. Oversight and startup costs must be calculated, along with actual service costs. Great care must be taken with multiyear estimates to assure that any levy proposal will deliver promised programs under budget.

Econometric Methods

Where past work is incomplete (such as in human service goal area three) and as needed to update past estimates for all goal areas, econometric methods (mathematical and statistical techniques) are employed to estimate unmet need from available demographic and utilization data. Such models draw heavily upon data from the decennial census, last completed in 2000. Other data sources include annual estimates from both the American community survey and the current population survey at the federal level, and also the biennial state population survey.

A particular complication to such models is change over time in the county's poverty profile. Only the decennial census provides adequate snapshot detail to enable full population applicability. Other than the current population survey, other sources provide general tracking of income and basic demographic trends, but fewer relevant specifics. Among the pitfalls are varied housing and food shares across the county (this is the percentage of household income spent on food and housing and is a common poverty indicator). These varied levels of poverty over time are not clearly represented in available data.

Also, population need may seasonally rise or fall for any given service area over an entire year, thus data collected at a specific time in the year may exhibit a seasonality bias inherent in point estimates. For example, the annual March current population survey, which has acceptable bias for annual *comparison*, may not adequately project annual *needs* if left unadjusted for seasonal variance.

Extensive private survey work is done to estimate housing rental costs, providing a geographically specific breakdown of average prices once or twice each year. Counterintuitive changes within the rental market and comparison to overall residential real estate makes such data imperative to creating meaningful poverty population estimates.

A final problem exists in applying inflation. The consumer price index for the Puget Sound region is nearly 23 years old, with limited refinements leaving the relative weights and typical basket of goods largely unchanged. Dynamic price changes, such as the recent surge in energy costs, are known to have substantial income effects. Care must be taken with relative prices shifts to arrive at inflation-adjusted poverty data.

Summary

In summary, the data compiled by the Task Force on Regional Human Services will be used for the bulk of the analysis, while other sources mentioned above will provide additional information where needed. Econometric methods will be employed to standardize the datasets so that we may compare them and use them in conjunction with each other to make projections of population need. There are certain difficulties in applying these methods, but given the limited availability of some data, they cannot be avoided.